

AUTHORIZING APPROPRIATIONS FOR THE FEDERAL  
ELECTION COMMISSION FOR FISCAL YEAR 1985

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MAY 8 (legislative day, APRIL 30), 1984.—Ordered to be printed

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Mr. MATHIAS, from the Committee on Rules and Administration,  
submitted the following

## REPORT

[To accompany S. 2640]

The Committee on Rules and Administration, having considered an original bill (S. 2640) to authorize appropriations for the Federal Election Commission for fiscal year 1985, reports favorably thereon and recommends that the bill do pass.

## PURPOSE OF THE BILL

This bill would authorize appropriations for the Federal Election Commission for the fiscal year ending September 30, 1985, in the amount of \$12,900,000. Of this amount, \$815,147 is authorized to be appropriated for costs incurred in connection with the relocation of the Commission, such costs to be limited to actual moving expenses and costs of capital improvements required to be made to new facilities. The remaining \$12,084,853 is authorized to be appropriated for basic operations of the Federal Election Commission.

The Commission received an appropriation of \$10,649,000 for fiscal year 1984. The Committee's recommendation represents an increase of \$2,251,000 or 21 percent over fiscal year 1984. Excluding relocation costs of \$815,147, the Committee figure is 13.5 percent higher than the Commission's current level of funding.

The Office of Management and Budget has recommended that the Commission be funded at the level of \$10,230,000 for fiscal year 1985.

## COMMITTEE ACTION

On April 26, 1984, the Committee on Rules and Administration received testimony from the Commission on its fiscal year 1985 budget authorization request. The Commission is seeking \$13,648,000 for its operations in the coming fiscal year. Of this amount, the Commission initially estimated that \$850,000 would be needed to defray costs associated with the planned relocation of the Commission. The Commission now estimates that relocation costs will be closer to \$1.2 million, including moving expenses, costs of capital improvements, and increased rent at a new facility.

The Committee acknowledges the desirability of the Commission's relocation in light of the findings of a Facility Analysis Report for the Federal Election Commission prepared at the direction of the General Services Administration. The report concludes that costs of relocation would be significantly less than costs associated with the renovation of the Commission's current facility.

The Committee notes that the Commission's estimate of relocation costs included increased rental costs at a new facility. These costs are in addition to the \$719,000 allocated for space rental in the Commission's basic operating budget for fiscal year 1985. Of this amount, approximately \$245,000 will go to rental costs under the Commission's existing lease, scheduled to expire in February 1985, leaving \$474,000 for rental costs for the remainder of the fiscal year. The Committee has determined that total costs of space rental are more appropriately included in the Commission's basic operating budget, while what may be termed one-time only relocation costs are included in a separate authorization. The Committee therefore specifically authorizes \$815,147 to defray costs in connection with the planned relocation, based on the report estimates of moving expenses and costs of capital improvements.

While recognizing that rental costs at a new facility may be substantially higher than under the Commission's existing lease, the committee believes that the level of funding authorized for the basic operations of the FEC is adequate to defray these increased costs. The committee's authorization of appropriations for costs of relocation thus does not include costs of space rental.

The components of the FEC's budget request submitted on September 14, 1983 include: \$8,563,000 for personnel costs, \$268,000 for travel, \$72,000 for training, \$335,000 for printing, \$60,000 for publications, \$1,049,000 for an automated data processing contract, \$677,000 for other contracts, \$719,000 for space rental, and \$1,055,000 for costs of administrative support, for a total basic operating budget of \$12,798,000.

In their hearing testimony, Commission witnesses pointed to the increased responsibilities of the FEC during the presidential election cycle. Some of these duties, such as certification of convention funding and certifying matching payments for presidential primary candidates, fall largely within the current fiscal year. In fiscal year 1985, the most significant responsibilities of the Commission which relate to the presidential election are the mandatory audits of all candidate committees receiving public funds.

The Commission is thus seeking an additional six audit positions for fiscal year 1985, or a staff of 30 permanent auditors. Its request

is based on an estimate of 10 primary audits and three general election audits. In fact, just nine candidates have received matching payments in the primaries, while only two general election candidates are now expected to request public funds.

The Commission's budget submission includes additional funds for an automated data processing (ADP) contract. The current five-year contract at an annual cost of \$600,000 expires in April, 1985. The Commission plans to expend \$40,000 during this fiscal year for assistance in planning ADP reprourement. Costs of a new contract to provide an expanded computer capability combined with the new and old operation during fiscal year 1985 are estimated at \$1,049,000. The estimate is based on the old annual contract cost of \$600,000, an addition of \$295,000 for the expanded facility, and \$154,000 to run parallel systems during the contractual transition period.

The Committee questions the need to provide \$154,000 to run parallel systems during a contractual transition period. It would appear that a request for bids could call for the expanded computer facility to be operational on the date of expiration of the old contract. The committee recognizes that the total amount requested for the expanded computer facility is at this stage only a projection; the committee expects, however, that the FEC will not incur unnecessary costs in the reprourement of its ADP contract.

Similarly, the committee would expect the FEC to select according to priorities from among the six projected research contracts proposed by the Clearinghouse on Election Administration, estimated in the fiscal year 1985 budget submission to cost \$365,000. That figure is somewhat inflated since the FEC already has partially funded the Voting Systems Standards project under its fiscal year 1984 appropriation.

In addition to the \$1,049,000 for an expanded computer capability, the FEC requests \$300,000 for a contract to provide for data entry, including \$146,000 to recapture from all 1984 election reports contributors of amounts between \$200 and \$500 for entry into the data base. In 1980 the FEC began entering only contributions of \$500 or more. The FEC proposes to renew its former practice of entering into its data base names of contributors of \$200 and more. The committee believes that entry of data on \$200 to \$500 contributors will serve public disclosure and aid the Commission in monitoring compliance with the campaign finance laws. The committee believes the authorization is sufficient to assure the necessary funds for the data entry contract and also to provide approximately \$135,000 for nine additional staff persons on a full time equivalent basis to code the documents for later entry by contract personnel.

In personnel resources, the Commission is requesting a total increase of 25 staff persons on a full time equivalent basis at a cost of \$538,000. As previously discussed, the committee recognizes the need for additional personnel, possibly on a temporary basis, to resume capture of contributor information for an improved data base. Commission testimony indicates, however, that there are currently only 235 employees at the Commission, although the Commission had projected a staffing level of 251 for fiscal year 1984. In view of these vacancies in the currently authorized staff levels, the

committee believes that the full personnel increase of 25 requested for fiscal year 1985 may not be needed.

In summary, while the committee's recommendation of \$12.9 million is less than the amount sought by the Commission, in the committee's view it will be sufficient to allow the Commission to carry out its responsibilities in administering and enforcing the campaign finance laws, as well as provide for extraordinary costs of relocation.

#### COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the estimate of costs of this measure, prepared by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act, is as follows:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, D.C., May 4, 1984.

Hon. CHARLES MCC. MATHIAS, Jr.,  
Chairman, Committee on Rules and Administration,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for a bill to authorize appropriations for the Federal Election Commission for fiscal year 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

RUDOLPH G. PENNER.

#### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: Not yet assigned.
2. Bill title: A bill to authorize appropriations for the Federal Election Commission for fiscal year 1985.
3. Bill status: As ordered reported by the Senate Committee on Rules and Administration, May 1, 1984.
4. Bill purpose: The bill authorizes the appropriation of \$12.9 million to the Federal Election Commission for fiscal year 1985, including \$0.8 million for expenses associated with relocation of the Commission to new offices. The 1984 appropriation is currently \$10.6 million, and the President has requested \$10.2 million for 1985.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1985	1986	1987	1988	1989
Authorization level.....	12.9				
Estimated outlays.....	11.2	1.7			

Including outlays from prior years' appropriations to date, total outlays in 1985 would be \$12.6 million, assuming appropriation of the authorized amount.

The costs of this bill fall within budget function 800.



Basis of Estimate: This estimate assumes the amount authorized will be appropriated. The estimate of outlays is based on historical spending patterns.

6. Estimated cost to State and local governments: None.
7. Estimated comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Mary Ann Curtin.
10. Estimate approved by: James Blum, Assistant Director for Budget Analysis.

#### REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the regulatory impact which would be incurred in carrying out the bill is as follows (supplied by the Federal Election Commission):

FEDERAL ELECTION COMMISSION,  
Washington, D.C., April 30, 1984.

Hon. CHARLES MCC. MATHIAS, Jr.,  
Chairman, Committee on Rules and Administration,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter on behalf of the Committee requesting information in connection with consideration of the Federal Election Commission's Fiscal Year 1985 authorization request. Enclosed are responses to four questions dealing with the regulatory impact of Commission activities.

Sincerely,

LEE ANN ELLIOTT, *Chairman.*

Enclosure.

**Question 1.** An estimate of the number of individuals and businesses to be regulated by the Commission, and a determination of the groups and classes of such individuals and businesses.

**Answer.** The Commission regulates seven categories of persons and political committees: Presidential candidates and committees; candidates and committees engaged in races for House and Senate seats; party-related committees; non-party related political committees; individuals or committees making independent expenditures; delegates and delegate committees making independent expenditures; delegates and delegate committees; and persons making expenditures for communication costs. The table which follows indicates the number of filers in each category, the number of reports and statements filed by each, and the gross receipts and expenditures for the period covering calendar year 1983.

	Total filers existing in 1983 <sup>1</sup>	As of Dec. 13, 1983			In 1983		
		Filers terminated	Filers waived	Continuing filers	Number of reports and statements	Gross receipts	Gross expenditures
Presidential .....					537	\$34,063,902	\$31,646,782
Candidates .....	204	19	0	185			
Committees .....	166	12	0	154			
Senate .....					680	55,360,458	35,533,214
Candidates .....	600	39	25	536			
Committees .....	395	61	1	333			

	Total filers existing in 1983 <sup>1</sup>	As of Dec. 13, 1983			In 1983		
		Filers terminated	Filers waived	Continuing filers	Number of reports and statements	Gross receipts	Gross expenditures
House.....					2,829	50,190,573	39,358,318
Candidates.....	2,568	191	0	2,377			
Committees.....	1,690	312	2	1,376			
Party.....	365	13	18	334	665	243,392,381	219,248,542
National level committees.....	30	2	1	27			
State level committees.....	139	2	4	133			
Local level committees.....	190	9	13	168			
Convention committees.....	6	0	0	6			
Delegates.....	5	0	0	5	1	0	12
Nonparty.....	3,745	220	0	3,525	10,815	110,464,730	75,883,692
Labor committees.....	403	25	0	378			
Corporate committees..	1,606	70	0	1,536			
Membership, trade and other committees.....	1,736	125	0	1,611			
Communication cost filers.....	74	N.A.	N.A.	N.A.	29	N.A.	55,189
Independent expenditures by persons other than political committees....	89	N.A.	N.A.	N.A.	38	N.A.	333,592

<sup>1</sup> In this column, figures may be less than those which appeared in the "Continuing Filers" column of the Annual Report 1982, page 55, because of technical adjustments to the data base.

**Question 2.** The Commission's opinion as to the economic impact of such regulations on the individuals, consumers and business affected.

Answer. The Act is so specific in its requirements that the major economic impact on affected individuals and organizations is directly imposed by the Act, not the implementing regulations.

**Question 3.** The Commission's opinion of the impact on the personal privacy of the individuals affected.

Answer. Because a purpose of the Federal Election Campaign Act is to provide for the disclosure of contributions and expenditures made in campaigns for Federal office, there is obviously some impact on privacy. Congress felt that this slight impact on privacy was warranted in order to promote the policy of disclosure. Again, it is the Act, rather than implementing regulations, which produces this result.

**Question 4.** A determination of the amount of additional paperwork that will result from regulations to be promulgated by the Commission during fiscal year 1985. This determination may include, but need not be limited to, estimates of the amount of time and financial costs required of affected parties, showing whether the effects of the authorization request could be substantial, as well as reasonable estimates of the recordkeeping requirements that may be associated with the authorization.

Answer. In late fiscal year 1983 and thus far in fiscal year 1984, the Commission promulgated revised regulations regarding the following: Presidential Primary Matching Fund; Presidential General

Election Financing; Candidate's Use of Property in Which Spouse has an Interest; Joint Fundraising and Collecting Agents; Trade Association Solicitation Authorization; Communications by Corporations and Labor Organizations.

The Commission continues to place high priority upon the reduction of unnecessary paperwork. A major goal of these revised regulations is reduction of the burden of these regulated by the Act. For fiscal year 1985, the Commission is seeking resources to undertake a systematic review of its regulations.

#### CHANGES IN EXISTING LAW

In compliance with paragraph 12 of the rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, S. , as reported by the Committee on Rules and Administration, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

#### SECTION 439C OF TITLE 2, UNITED STATES CODE

##### *Section 439c. Authorization of Appropriations*

(a) There are authorized to be appropriated to the Commission for the purpose of carrying out its functions under this Act, and under chapters 95 and 96 of title 26, not to exceed \$5,000,000 for the fiscal year ending June 30, 1975. There are authorized to be appropriated to the Commission \$6,000,000 for the fiscal year ending June 30, 1976, \$1,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, and \$6,000,000 for the fiscal year ending September 30, 1977, \$7,811,500 for the fiscal year ending September 30, 1978, [and] \$9,400,000 for the fiscal year ending September 30, 1981, and \$12,084,853 for the fiscal year ending September 30, 1985.

(b) *In addition to the amount authorized to be appropriated by subsection (a) for the fiscal year ending September 30, 1985, there is authorized to be appropriated for such year \$815,147 for costs incurred in connection with the relocation of the Commission. Such costs shall be limited to actual costs of moving and costs of capital improvements required to be made to new facilities, and shall not include the cost of space rental.*

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